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UNITED STATES BANKRUPTCY COURT  
NORTHERN DISTRICT OF CALIFORNIA  
SAN FRANCISCO DIVISION

**In re:**

**PG&E CORPORATION,**

**- and -**

**PACIFIC GAS AND ELECTRIC  
COMPANY,**

**Debtors.**

- ☐ Affects PG&E Corporation  
☐ Affects Pacific Gas and Electric Company  
☒ Affects both Debtors

*\* All papers shall be filed in the Lead Case,  
No. 19-30088 (DM).*

Bankruptcy Case No. 19-30088 (DM)

Chapter 11

(Lead Case)

(Jointly Administered)

**SECOND SUPPLEMENTAL  
DECLARATION OF ADEL TURKI IN  
SUPPORT OF DEBTORS' APPLICATION  
PURSUANT TO 11 U.S.C. § 327(a) AND  
FED. R. BANKR. P. 2014(a) AND 2016 FOR  
AUTHORITY TO RETAIN AND EMPLOY  
COMPASS LEXECON, LLC AS  
ECONOMIC CONSULTANTS TO THE  
DEBTORS NUNC PRO TUNC TO  
PETITION DATE**

Re: Docket Nos. 1756 and 1842

Date: May 22, 2019

Time: 9:30 a.m. (Pacific Time)

Place: United States Bankruptcy Court  
Courtroom 17, 16th Floor  
San Francisco, CA 94102

1 I, Dr. Adel Turki, being duly sworn, state the following under penalty of perjury:

2 1. I am a Senior Managing Director of Compass Lexecon, LLC ("Compass") a leading  
3 economic consulting firm. Compass is currently the economic consultant to Cravath, Swaine &  
4 Moore LLP ("Cravath"), lead coordinating counsel for all wildfire-related issues involving the  
5 above-captioned debtors and debtors in possession (the "Debtors"). I am authorized to make this  
6 declaration on behalf of Compass. Unless otherwise stated, I have personal knowledge of the facts  
7 set forth herein.

8 2. This declaration (the "Second Supplemental Declaration") is being submitted to  
9 supplement my: (i) initial declaration (the "Initial Declaration") filed in support of the *Debtors'*  
10 *Application Pursuant to 11 U.S.C. § 327(a) and Fed. R. Bankr. P. 2014(a) and 2016 for Authority to*  
11 *Retain and Employ Compass Lexecon, LLC as Economic Consultants to the Debtors Nunc Pro Tunc*  
12 *to Petition Date* [Docket No. 1756] (the "Application"); and (ii) supplemental declaration  
13 (the "Supplemental Declaration") filed in support of the *Supplement to Debtors' Application*  
14 *Pursuant to 11 U.S.C. § 327(a) and Fed. R. Bankr. P. 2014(a) and 2016 for Authority to Retain and*  
15 *Employ Compass Lexecon, LLC as Economic Consultants to the Debtors Nunc Pro Tunc to Petition*  
16 *Date* [Docket No. 1842] (the "Supplemental Application").

17 3. Compass is a leading economic consulting firm with twenty-one (21) offices and more  
18 than 425 employees globally. Compass has considerable experience providing a wide variety of  
19 consulting services, including economic and financial analysis, to businesses in various contexts. In  
20 particular, Compass has significant and longstanding expertise evaluating and assessing potential  
21 damages and losses incurred in the context of mass tort litigation, including, for example, in matters  
22 pertaining to the BP Deepwater Horizon oil spill and the General Motors ignition switch recalls.

23 4. Compass has been employed in numerous chapter 11 cases, including: *In re*  
24 *Aeropostale, Inc., et al.*, Case No. 16-11275 (SHL) (Bankr. S.D.N.Y.); *In re AMR Corp.*, Case No.  
25 11-15463 (SHL) (Bankr. S.D.N.Y.); *In re GenOn Energy, Inc., et al.*, Case No. 17-33695 (DRJ)  
26 (Bankr. S.D. Tex.); *In re Lehman Bros. Holdings Inc., et al.*, 08-01355 (SCC) (Bankr. S.D.N.Y.);  
27 *In re Lightsquared Inc., et al.*, Case No. 12-12080 (SCC) (Bankr. S.D.N.Y.); *In re Motors*  
28 *Liquidation Co., et al.*, Case No. 09-50026 (MG) (Bankr. S.D.N.Y.); *In re MPM Silicones, LLC, et*

1 *al.*, Case No. 14-22503 (RDD) (Bankr. S.D.N.Y.); *In re Nine West Holdings, Inc., et al.*, Case No.  
2 18-10947 (SCC) (Bankr. S.D.N.Y.); *In re Paragon Offshore PLC, et al.*, Case No. 16-10386 (CSS)  
3 (Bankr. D. Del.); *In re Physiotherapy Holdings, Inc., et al.*, Case No. 13-12965 (KG) (Bankr. D.  
4 Del.); *In re Tribune Co., et al.*, Case No. 08-13141 (KJC) (Bankr. D. Del); and *In re Tronox Inc.,*  
5 *et al.*, Case No. 09-10156 (ALG) (Bankr. S.D.N.Y).

6 5. Compass specializes in the valuation of mass tort damage claims, while FTI  
7 Consulting, Inc. (“FTI”) provides more general financial advisory services. To my knowledge and  
8 as a general matter, FTI does not typically provide the type of specialized tort claims analysis that  
9 Compass has provided, and continues to provide, to the Debtors and Cravath. For that reason, FTI  
10 frequently brings Compass into bankruptcy cases when expert analysis and testimony on valuation  
11 issues are necessary. Some examples of that happening include: *In re Tribune Co., et al.*, Case No.  
12 08-13141 (KJC) (Bankr. D. Del.); *In re Paragon Offshore PLC, et al.*, Case No. 16-10386 (CSS)  
13 (Bankr. D. Del.); *In re GenOn Energy, Inc., et al.*, Case No. 17-33695 (DRJ) (Bankr. D. Del.); *In re*  
14 *Physiotherapy Holdings, Inc., et al.*, Case No. 13-12965 (KG) (Bankr. D. Del.); *In re Nine West*  
15 *Holdings, Inc., et al.*, Case No. 18-10947 (SCC) (Bankr. S.D.N.Y.).

16 6. Compass is almost always engaged through counsel in chapter 11 cases and not  
17 pursuant to a court order. Cases where Compass was retained by counsel (as here) include: *In re*  
18 *Lightsquared Inc., et al.*, Case No. 12-12080 (SCC) (Bankr. S.D.N.Y.); *In re Lehman Brohters*  
19 *Holdings, Inc., et al.*, Case No. 08-1355 (SCC) (Bankr. S.D.N.Y.); *Fjord, et al., v. AMR*  
20 *Corporation, et al., (In re AMR Corporation)*, Case No. 11-15463 (SHL), Adv. Pro. 13-01392  
21 (SHL) (Bankr. S.D.N.Y.); *In re MPM Silicones, LLC, et al.*, Case No. 14-22503 (RDD) (Bankr.  
22 S.D.N.Y.); *In re Paragon Offshore PLC, et al.*, Case No. 16-10386 (CSS) (Bankr. D. Del.); *In re*  
23 *Tribune Co., et al.*, Case No. 08-13141 (KJC) (Bankr. D. Del.); *In re Aeropostale, Inc. et al.*, Case  
24 No. 16-11275 (SHL) (Bankr. S.D.N.Y.); *In re Tronox Inc., et al.*, Case No. 09-10156 (ALG)  
25 (Bankr. S.D.N.Y.); *In re GenOn Energy, Inc., et al.*, Case No. 17-33695 (DRJ) (Bankr. S.D. Tex.);  
26 *In re Motors Liquidation Co., et al.*, Case No. 09-50026 (MG) (Bankr. S.D.N.Y.); *Motors*  
27 *Liquidation Company Avoidance Action Trust, et al., v. JPMorgan Chase Bank, N.A., et al.*, Case  
28 No. 09-00504 (MG) (Bankr. S.D.N.Y.); *In re Nine West Holdings, Inc., et al.*, Case No. 18-10947

1 (SCC) (Bankr. S.D.N.Y.); *PAH Litigation Trust v. Water Street Healthcare Partners, L.P., et al., (In*  
2 *re Physiotherapy Holdings, Inc., et al.)*, Case No. 13-12965 (KG), Adv. Pro. 15-51238 (KG) (Bankr.  
3 D. Del.).

4 7. Compass performed a number of services for Cravath prior to the January 29, 2019  
5 petition date (the “Petition Date”), and as a result, has developed extensive and valuable institutional  
6 knowledge regarding the subject matter of its engagement. Compass began performing services for  
7 Cravath in February 2018 in connection with the 2017 North Bay fires (the “North Bay Fires”).

8 8. Beginning in February 2018, Compass began its evaluation and analysis of potential  
9 damages and losses arising from the North Bay Fires, including detailed and in-depth analyses of  
10 multiple categories of potential losses (such as residential property damage and business  
11 interruption), across different fires. In order to perform this analysis, Compass conducted individual  
12 evaluations and assessments of the potential damages, and mined through significant amounts of  
13 data. Compass also evaluated potential government and public entity claims for losses arising from  
14 the North Bay Fires.

15 9. Beginning in November 2018, Compass commenced performing similar services for  
16 Cravath in connection with the 2018 Camp fire (the “Camp Fire”). Similar to its work on the North  
17 Bay Fires, Compass evaluated and analyzed potential damages and losses arising from the Camp  
18 Fire. In both cases, that work is being used by Cravath to advise its client regarding the Debtors’  
19 potential damages exposure.

20 10. Compass has dedicated significant time, more than a year, to collecting and assessing  
21 the reliability of potentially relevant data, as part of its work analyzing the potential losses and  
22 potential damages associated with both the North Bay Fires and the Camp Fire.

23 11. Since the Petition Date, Compass has continued to provide support to Cravath.  
24 Cravath has informed Compass that it expects Compass to provide significant additional services as  
25 the Chapter 11 Cases progress – as described in the Compass Retention Documents – including,  
26 possibly, the provision of expert witness services. Compass is uniquely situated to continue that  
27 work because of the significant work it has undertaken to date.

1           12.     Additionally, as demonstrated by **Exhibit 1** annexed hereto, Compass and FTI are  
2 routinely engaged in separate and independent (and sometimes potentially adverse) roles in the same  
3 cases. Compass's standard letter of engagement, and the letter of engagement between Compass and  
4 Cravath executed on March 22, 2018 (the "Engagement Letter"), confirms that: "Compass Lexecon  
5 is a separate business unit within FTI Consulting, Inc., is operated as such, and does not recognize  
6 conflicts with the other business segments of FTI." *See* Engagement Letter at 3 [Docket No.  
7 1757-1]. The Engagement Letter further provides that "Compass Lexecon will not share any  
8 non-public client information with the other divisions within FTI during this engagement or  
9 thereafter." *Id.*

10           13.     Moreover, there is no overlap in governance between Compass and FTI. No FTI  
11 executives serve in any governance roles with Compass, and no senior professionals of Compass  
12 serve in any roles with FTI. Finally, none of the revenue from Compass's engagement by Cravath  
13 will be upstreamed to FTI.

14           Pursuant to 28 U.S.C. § 1746, I declare under penalty of perjury that the foregoing is true and  
15 correct to the best of my knowledge and belief.

16  
17 Dated: May 17, 2019

18                               /s/ Adel Turki

19                               Adel Turki  
20                               Senior Managing Director  
21                               Compass Lexecon, LLC  
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